port of processed food at present and what steps are being taken by Government to increase their exports?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI SHANTILAL PURUSHOTTAMDAS PATEL): The exports of processed foods, fruits and vegetables etc. have grown from Rs. 191.75 Cr. in 1980-81 to Rs. 475.92 Cr. (Approx) in 1989-90, still the share of India in the world trade of processed foods is estimated at 1.2 per cent. There is a vast potential for increasing exports from this sector. It is with this objective in view that Government allows on exports of processed foods various incentives like Cash Compensatory Support, duty drawback, import replenishment licence, credit on easy terms etc.

Quantum of Money Supply

1026. DR. BAPU KALDATE:
SHRI A. G. KULKARNI:
SHRI VISHWASRAO RAMRAO PATIL:
SHRI TINDIVANAM G. VENKATRAMAN:

Will the Minister of FINANCE be pleased to state:

(a) what is the quantum of money supply during November/December, 1990, January 1991 as compared to the same period in 1989 and 1990; and

(b) whether it is a fact that the increase in quantum of various subsidies and expenditure on populist schemes has contributed to the exorbitant price rise, and if so, what steps are being taken to control the price rise?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE AND THE DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH): (a) Money Supply (M3) recorded an expansion of Rs. 5733 crores between November 30, 1990 and January 25, 1991 as against that of Rs. 6247 crores in the corresponding period a year ago.

(b) In the current financial year price inflation has been exacerbated by (a) fiscal imbalances leading to monetary expansion; (b) supply and demand imbalances primarily because of supply shortages in some commodities and (c) inflationary expectations. With the hardening of international prices of oil in the wake of the Gulf crisis, there has been increase also in the cost of transportation which has added to the inflationary pressure in the economy.

Government have adopted a multipronged strategy to check the price rise. It consists of strict fiscal discipline though the monitoring of Government expenditure, moderation of the liquidity growth in the system, a more effective management of supply and demand of essential/price-sensitive commodities and strict action against hoarders and profiteers .

Improving loan systems to small scale units

1027. DR. BAPU KALDATE:
SHRI A. G. KULKARNI:
SHRI VISHWASRAO RAMRAO PATIL:

Will the Minister of FINANCE be pleased to state:

(a) whether he has received representations from Members of Parliament regarding the difficulties being faced by the small scale industries in getting loans from nationalised banks due to unhealthy practices indulged in by the banks particularly charging of compound interest, exorbitant debt servicing and insurance cover for loans; and

(b) if so, what steps Government propose to take in this regard?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE AND THE DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH): (a) Yes, Sir. Representations regarding difficulties being faced by small scale industries in getting loans from nationalised banks are received periodically.

(b) These representations are examined in consultation with Reserve Bank of India and the concerned banks for taking necessary follow up action. RBI monitors, on an ongoing basis, the performance of banks in lending to the priority sector, including small scale industries. Wherever specific complaints are made, necessary follow up action is taken. Besides, RBI has issued detailed guidelines to commercial banks for their lending to the priority sector. These guidelines, *inter-alia*, provide for disposal of loan applications upto Rs. 25000/- within a fortnight and those over Rs. 25000/- within 8 to 9 weeks, as well as the delegation of appropriate sanctioning powers to the Branch Managers so that the majority of loan applications are sanctioned at the branch level.

Foreign exchange earnings from exports of engineering and electronic goods

1028. SHRI KRISHNA KUMAR BIRLA: Will the Minister of COMMERCE be pleased to state:

(a) what is the value in foreign exchange earned due to exports of engineering and electronic goods during 1990 as compared to the year 1989 and how does the Indian export compare with that of developing countries, like Hong Kong, Taiwan, China, Singapore, Republic of Korea etc;

(b) what are the basic reasons for the country's poor export performance; and

(c) what is the strategy, if any, formulated by Government to push up the exports of engineering and electronic goods to enhance its share in the EEC market?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI SHANTILAL PURUSHOTTAMDAS PATEL): (a) and (b) The value of exports of engineering and electronic items during 1989-90 and 1990-91 were as follows:—

Years	Value in Rs. Crores
1989-90	3284·47
1989-90 (April-Nov.) .	1891·49
1990-91 (April-Nov.) . .	2447·75

(Source : DGCI&S)

The above value of exports in terms of US dollars works out as follows:—

Years	Value in million US dollars
1989-90	1972·69
1989-90 (April-Nov.) . .	1136 08
1990-91 (April-Nov.) . .	1390 24

It will be seen from the above that exports during April-Nov. 1990 in Rupee terms were higher than exports in the corresponding period of 1989 by as much as 30 per cent. Statistics of exports made by other developing countries are not compiled by the Govt.

(c) The Govt. has sought to promote export of engineering and electronic items broadly through providing exporters access to raw materials, components and capital goods at near world prices, by compensating exporters for domestic taxes and high cost of internal finance, by pursuing a supportive exchange rate policy and through effecting procedural simplification. Exports specially to EEC countries have been sought to be promoted through measures such as quality upgradation of selected products, harmonising of technical standards prevalent in EEC and in India, and participation in international trade fairs.

Smuggling of container cargo

1029. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that of late there has been spurt in the container cargo smuggling and that certain cases have been recently detected by the Madras Customs;

(b) if so, what are the details thereof stating the *modus operandi* of the companies involved, the nature of the articles items smuggled in the container cargo and the estimated value of the goods seized so far; and

(c) the action taken by Government to improve matters?